

# Overcoming Institutional Resistance to Real Estate Gifts

By Dennis Bidwell

Though it happens far less frequently than it used to, I still encounter development staff who are frustrated that their institution is not more open to considering real estate gifts. Sometimes this caution is housed in the office of the CFO, the General Counsel, or maybe even the Chief Development Officer.

Often the reason cited for such opposition is a now-legendary story of a gift, decades ago, of an abandoned gas station, or a time share, or a property that turned out not to have road frontage. In most cases the specifics are vague, but what has remained is the lore that real estate gifts are problematic, and a headache for the person that wound up dealing with the mess.

I am often asked how to overcome this resistance — how to help open the door to the real estate gift opportunity. Here's my answer:

First, do an informal survey of the practices at your peer institutions. There is a very good chance that other organizations you're familiar with have become more open to real estate gifts. It's a good possibility that some of them have decided to actively seek out the right real estate gifts and have results to show for it. In my experience, few things are more likely to open the eyes of folks in senior management than a reminder of innovations and successes at peer institutions.

Second, marshal the facts and figures about the magnitude of the real estate gift opportunity, the average size of real estate gifts, the volume of real estate gifts flowing to other institutions, the profile of the typical real estate donor (which will often align nicely with your own institution's demographics), the motivations of real estate donors, etc. (Previous articles in my newsletter, and various articles I've written, [here](#), provide all of this information. If you want more, contact me.) Third, figure out the right team of people to accompany you in meeting with whomever stands as the roadblock to real estate gifts at your institution. Every organization's politics are different, so there's no one answer to this. But, assemble your team and arrange the meeting.

Once you have your audience, I recommend making these arguments:

- Present the basic numbers: proportion of the nation's wealth that is in real estate compared to cash (something on the order of 30% to 10%), average real estate gift size, success stories at peer institutions, etc.
- Offer the reminder that probably over 30% of the massive intergenerational wealth transfer surrounding us in the form of real estate. What are we doing to capture our share?
- Remind him/her that there is now a set of best practices regarding real estate gifts that, if used at your institution, would virtually eliminate the chance that the problematic real estate gift of decades ago would ever make it past the initial screening process. Emphasize that institutions enjoying great success with real estate gifts have tightened up their screening and due diligence procedures (while making them more user friendly) while opening the doors wider to real estate gift possibilities.
- Discuss the eagerness of aging property owners to turn over to someone else the burdens of property management and marketing, particularly when educated about the tax benefits of doing so, and when reminded that turning their equity into cash flow is sometimes possible.
- Share examples of ways that other institutions are marketing their interest in real estate gifts (web pages, enewsletters, alumni magazines, class reunion presentations, etc.)
- Remind him/her that there's a very good chance that a "leadership" real estate gift is sitting around the table at your own Board of Directors' meeting.
- Talk about the increasing role of real estate gifts in campaigns. Many institutions are realizing that the next campaign is predicated on harvesting gifts from donors who already think they've made their final gift – and to do this means turning to other assets, chief among them real estate.
- And, of course, offer that there is abundant expertise regarding real estate gifts available through professional conferences, gift planning literature and websites, and, of course, real estate gift consultants.

My advice is to not be deterred by resistance to real estate gifts at your organization. I've seen reluctant CFOs and CDOs turn completely around when they realize they can be perceived by their peers as innovative and revenue-enhancing by embracing, rather than resisting, real estate gifts done properly.